Revival of IFCI

35. SHRI JANARDHANA POOJARY: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) the details of the activities financed by IFCI togetherwith the total advances made during the last three years;

(b) whether it is a fact that IFCI is in the red on account of its asset liability mismatch;

(c) if so, the details in this regard;

(d) whether it is a fact that IFCI pays over 13 per cent interest to its lenders over its outstanding liability of Rs. 21,000 crores as against the market rate of 6 per cent; and

(e) what are the packages being considered by Government to revive this institution?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) A Statement consisting details of the activities financed alongwith total advances made by IFCI during the last three years is enclosed. (*See* below)

(b) and (c) With the introduction of financial sector reforms access to long term concessional funds in the form of SLR Bonds was stopeed and IFCI had to raise funds from the market on commercial terms, which were high cost and had shorter maturity, thereby gradually leading to reduced margin whereas IFCI lending to the assisted concerns continued to be for longer periods.

(d) The average cost of borrowings for rupee liabilities of Rs. 17273.18 crores for the year ended 31st March, 2002 was 13.34% and average cost of borrowings for Foreign Currency borrowings of Rs. 2299.48 crores for the year ended 31st March, 2002 was 4.98%.

(e) The Government of India in consultation with Public Sector Banks and FIs have agreed to restructure the liabilities of IFCI.

Statement

Purpose-wise sanctions & disbursements during 1999-00, 2000-01, 2001-02, (Apr. Mar.) & 2002-03 (Apr.-Dec.)

(Rs Million)

	Sanctions				Disbursements			
	1999-00	2000-01	2001-02	2002-03 (Apr - Dec)	1999-00	2000-01	2001-02	2002-03 (Apr.-Dec.)
	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount
New Projects	2548 39	2494 34	804 30	612 65	7242 77	3631 42	2230.54	1272.69
Expansion Modernisation Diversification Rehabilitation	1408 79	772 97	1021 17	135 00	7508 85	2750 39	943 19	320 63
TUFS	2629 31	200 00	0 00	0 00	708 80	1546 33	200 76	30 00
Addl Assistance (Over-run) Funding of Interest	7411 69	5313 84	431 44	363 00	10509 65	7789 94	2706 77	193 19
Short Term Products:								
Corporate Loan	183 20	0 00	0 00	0 00	237 10	0.00	46 43	0 00
Short Term Loan	50 00	1238 95	300 00	0 00	50 00	1209 40	0 00	0 00
Working Capital Loan	2034 40	1795 80	550 00	97 00	1150.29	2198.67	953 10	102.89
Financial Services	251 90	0 00	0 00	0 00	1605 32	117 28	0 00	0.00
Equipment Finance	0 00	0 00	0 00	0 00	434 88	12 89	0 00	0 00
Financial Restructuring	3435 07	978 63	1789 47	3015 72	3147 03	991.75	691.02	0 00
Others @	172 00	1230 84	35 00	30 00	412 35	1198 49	130 53	103 40
Total (A)	20124 75	14025 47	4831 38	4253 37	33007 04	21446 56	7902 44	2022 80
Treasury Operations	0 00	0 00	2885.00	3580 00	0 00	0 00	2885 00	3580 00
Grand Total (A+B)	20124 75	14025 47	7816 36	7833 37	33007 04	21446 56	10737 44	5602 80

@ Includes Balancing Equipment General Corporate Purpose etc

Ensuring loan to educated youths in Kashmir

36. PROF. SAIF-UD-DIN SOZ: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government are aware that the Nationalised Banking Sector in Kashmir does not contribute to self employment schemes by provision of credit; and

(b) if so, whether Government would like to intervene in the matter and ensure loans to educated unemployed youths?